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Osborne, Richard ORCID logoORCID: <https://orcid.org/0000-0003-4111-8980> (2014) The gold disc: one million pop fans can't be wrong? In: L'état de l'industrie musicale = The state of the music industry. Sarafian, Victor and Findlay, Rosie, eds. Civilisations (13) . Presses de l'Université Toulouse 1 Capitole, Toulouse, pp. 159-178. ISBN 9782361700874. [Book Section]

Final accepted version (with author's formatting)

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## THE GOLD DISC: ONE MILLION POP FANS CAN'T BE WRONG?

Richard Osborne

One million is the magic number, or is it 500,000, or 100,000 or 400,000? The record industry has a confusing relationship with statistics. On the one hand, sales figures are central to its operations. In the following I am going to explore the phenomenon of gold discs, awards that are presented to artists and industry personnel when specified sales targets are achieved. Although other cultural industries have their sales charts – the *New York Times* has been publishing its lists of best-selling books since 1931, and the box office returns of movies have been enumerated since *Birth of a Nation* in 1915 – the record industry is alone in offering trophies based on the number of copies sold. These sales awards are more than markers of success; they also provide a symbol of the record industry's preferred business model. This is a business in which the recording is central and numbers are the only game in town. Artists are paid in accordance with the sales figures they achieve.

On the other hand, the record industry is vague when it comes to calculating its returns. The sales charts for books give a clear indication of the number of items retailed, while movie box office returns signal the net income that a film has achieved. It is also usually possible to find out the production costs of a film and thus calculate its true box office worth. In comparison, *Billboard* in the US and the Official Charts Company in the UK do not publish a record's sales figures as part of their charts. The only indicator in both cases is a symbol to indicate that a record has achieved a gold, platinum, silver or diamond award; it is as though any sales between zero and award status are of no significant worth. In addition, the record industry is reticent about disclosing the costs of any given recording, as well as the differing royalty rates that its artists receive.

It is perhaps obvious why the book and film industries do not hand out sales awards. The two art forms have a financial and generic diversity that would render the idea absurd. This obviousness should make us think about the opposite: is the recording industry really so homogenized that a sales award can work fairly for all? The rules for receiving a gold disc are

statistically rigid: all artists working within a territory have the same target to work towards; these sales targets are published freely; there is one local governing body that oversees them. At the same time, there is an elasticity about these awards that hints at the wider diversity of the record industry: the numbers needed to achieve them have differed between territories and have shifted over time. As such, the gold disc mirrors the twin tendencies of record industry statistics: its standards are both fixed and flexible. It is also reflective of another phenomenon. Record industry statistics can have counter-tendencies: rigidity can be a mask for flexibility, and flexibility can sometimes present a truer picture than rigidity.

In the following I shall highlight some of the variables relating to the gold disc. I shall look at the history of the trophy and examine the rules by which it can be acquired. I shall also examine the record company accounting that the sales award tends to obscure. In addition, I shall address the continuing use of the gold award in the digital age. Finally, I shall look at the musical culture that the gold disc endorses, examining its impact upon artistic creation and audience reception. To explore these themes I will address the record industries in the US and the UK. The sales awards are both local and global in nature: the International Federation of Phonographic Industries (IFPI) lists over 50 territories that operate an award scheme; it also acknowledges the different criteria that each territory utilizes.<sup>1</sup> Therefore, while much that follows can be applied broadly, regional differences should be borne in mind.

### The Origins of the Gold Disc

In 1974 Joseph Murrells attempted to document each single and album that had received a gold disc in America. In the introduction to his book he states that 'The exact point in time when a golden disc was first given by a company to an artist has not been established'.<sup>2</sup> His own first candidate for the original recipient is the violinist Marie Hall, who in 1905 was awarded a 'presentation charm bracelet [that] was made of gold and pearls and displayed a minute violin, a tapered gramophone arm, and seven tiny *golden discs*, representing her seven best selling records'.<sup>3</sup>

Later awards have not featured miniaturized discs but instead have been

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<sup>1</sup> IFPI, 'International Certification Award Levels', <http://www.ifpi.org/content/library/international-award-levels.pdf>

<sup>2</sup> Joseph Murrells, *The Book of Golden Discs* (London: Barrie & Jenkins, 1974), p.7.

<sup>3</sup> *Ibid.* Emphasis in original.

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copies of actual records. The first award to bear a similarity to today's was presented on 10 February 1942 to mark 1,200,000 sales of Glen Miller's 'Chattanooga Choo Choo'. Miller was presented with the master copy of the record, which was painted gold and framed. Attached to the presentation box was a plaque that noted the sales that had been amassed.

Although Miller was the first artist to receive a gold disc, it was Elvis Presley who did most to institutionalize the award. Ed Ward has claimed that the singer received his first gold record in April 1956, stating that it was 'an award RCA invented especially for him'.<sup>4</sup> This is not true; RCA Victor was after all also Glenn Miller's record company. It is also unclear which recording Ward is referring to: he implies it is 'Heartbreak Hotel', which was the earliest record released by Elvis to achieve one million sales; other sources claim that the first award given to the singer was for 'Don't Be Cruel', a record that wasn't released until July 1956.<sup>5</sup> What is nevertheless certain is that Presley increased the currency of the gold disc. In 1958 he became one of the first pop artists to have his hits gathered together on a long-playing record. This release was given a significant title: *Elvis' Golden Records*.

There is a simple reason why Presley was RCA Victor's golden boy: he was selling a huge amount of discs. Five months after his first RCA Victor release he was responsible for half the company's popular music income and a decade later he was still making up a quarter of *all* RCA Victor's record sales.<sup>6</sup> More broadly, the rock 'n' roll era was the point at which the record industry gained a firm ascendancy over the music publishing industry. Reebee Garofalo believes that it was in 1952 that 'records finally surpassed sheet music as a source of revenue in the music industry'.<sup>7</sup> It was the success of Presley and his contemporaries that confirmed this change. This was the case in America, where in 'the new order of rock'n'roll, sheet-music sales and public performances followed a successful recording',<sup>8</sup> and in the UK,

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<sup>4</sup> Ed Ward, 'The Fifties and Before', in *Rock of Ages: The Rolling Stone History of Rock and Roll*, ed. by Ed Ward, Geoffrey Stokes and Ken Tucker (Harmondsworth: Penguin, 1986), 17-246 (p.120).

<sup>5</sup> Shannon Venable, *Gold: A Cultural Encyclopedia* (Westport: Greenwood, 2011), p.116.

<sup>6</sup> Ernst Jorgensen, *Elvis Presley: A Life in Music* (New York: St. Martin's Press, 1998), p.48; Steve Chapple and Reebee Garofalo, *Rock 'n' Roll is Here to Pay: The History of Politics of the Music Industry* (Chicago: Nelson-Hall, 1977), p.210.

<sup>7</sup> Reebee Garofalo, *Rockin' Out: Popular Music in the U.S.A.* (Prentice Hall, 2005), p.70.

<sup>8</sup> Andre Millard, *America on Record: A History of Recorded Sound* (Cambridge: CUP, 1995), p.257.

where *Record Mirror* reported that 'If there has been a decline in sheet music sales in 1957 then some of the blame must be laid at the door of the R and R craze'.<sup>9</sup>

The Record Industry Association of America (RIAA) formalized the gold award programme on 14 March 1958, when Perry Como's 'Catch a Falling Star' became the first single to receive their official gold disc. Their first gold album was the cast recording of *Oklahoma!*, which was given its award four months later. In 2008 the RIAA chose to celebrate the 50<sup>th</sup> anniversary of their award, not with these records, but with Presley's 'Hard Headed Woman', which on 11 August 1958 became his first single to receive the trade body-authorized gold disc. Perry Como was celebratory of his sales achievements – in 1958 he released *Como's Golden Records* – but RIAA have wished to associate their award with other forms of music. It was rock 'n' roll and not Como's easy listening that placed the record centre stage. While 'Catch a Falling Star' worked well as print music, 'Hard Headed Woman' did not. In 1957 the *Melody Maker* reported that 'the successful Rock-'n'-Roll numbers were only hits on a record and just didn't mean a thing so far as sheet music was concerned',<sup>10</sup> and in 1958 the publisher Bill Phillips stated 'Sure, rock sells records – but not music'.<sup>11</sup> More than other genres, it made sense to represent rock 'n' roll success with a gold disc. Rock 'n' roll initiated new forms of popular music for which the golden record could serve as a business model as well as an award.

It is the place of recording at the *centre* of popular music that IFPI is keen to perpetuate. In 2012 they published the *Investing in Music* report, which denigrates the importance live music income ('Some claim that artists can forge a career in music through live performance alone. There is little empirical evidence to support this argument')<sup>12</sup> as well as the ability of artists to go the DIY digital route ('The truth is that artists are generally much better served by a record deal. They want the funding and the specialist support that indie and major record labels provide').<sup>13</sup> In sum, the

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<sup>9</sup> Len Conley, 'The Big Trend: Return of the Ballad ... Sheet-Music Sales Back to Normal', *Record Mirror* (28 December 1957), 84-85 (p.84).

<sup>10</sup> Hubert W. David, 'Songsheet', *Melody Maker* (19 January 1957), p.10.

<sup>11</sup> Gee Nicholl, 'R. 'n' Roll Brings Sheet Music Slump', *Record Mirror* (16 February 1957), p.8. Emphasis in original.

<sup>12</sup> IFPI, *Investing in Music: How Music Companies Discover, Nurture and Promote Talent* (2012), p.5.

[http://www.ifpi.org/content/library/investing\\_in\\_music.pdf](http://www.ifpi.org/content/library/investing_in_music.pdf)

<sup>13</sup> John Kennedy and Alison Wenham, 'Introduction', in IFPI, *Investing in Music*, p.4.

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report argues that 'if an artist wishes to sell their music in significant volume and attract large audiences, they need the support of a major or independent record company'.<sup>14</sup> The mention of 'significant volume' is important. IFPI lists some of its definitions of 'commercial success', the first of which is 'breaking an artist to Gold or Platinum status in an individual market'.<sup>15</sup> We need to examine what this status is, before considering why it is set so high.

### The Gold Standard

The first thing to say about the gold standard is that there has been more than one. There is even confusion about the amount needed to acquire the first official awards. RIAA state that that 'In the beginning, there was only a Gold® album award for the sale of 500,000 copies'.<sup>16</sup> However, Murrells states that gold discs were first certified by RIAA for '1,000,000 single sales and a gross of 1,000,000 dollars for album sales'.<sup>17</sup> The difference in procedure for singles and albums is indicative of the fact that albums used to sell in fewer numbers but were more highly priced, thus it would be easier for them to achieve a million dollars in income than a million copies sold. This measurement nevertheless demonstrates that the numbers required to achieve awards have been liable to change.

Although they do not readily admit it, RIAA have shifted their standards several times. In 1976 the organization introduced its platinum award, which could be gained by achieving one million album sales or two million singles. To achieve a gold record for an album, an artist now had to sell 500,000 copies of their release. In 1989 the figures for single sales were halved. Artists now had to sell 500,000 copies to achieve gold status and one million for platinum. This reflected an overall downturn in the importance of this format in America. In comparison, album sales continued to grow. Consequently, in 1999 the diamond award was introduced, celebrating records that achieved 10 million sales.<sup>18</sup>

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<sup>14</sup> IFPI, *Investing in Music*, p.5.

<sup>15</sup> *Ibid*, p.11. The report gives two further definitions of commercial success. The first is that 'a campaign is only a success when the upfront advance has been recouped', the other is 'simply a satisfied artist and the bills paid'. As such, the report is indicative of an industry in which some measures of success are standardized (the sales awards schemes), while others vary widely (the amount of money that is required in order to satisfy a record company's accounts).

<sup>16</sup> RIAA, 'History of the Awards'.

[http://www.riaa.com/goldandplatinum.php?content\\_selector=historyx](http://www.riaa.com/goldandplatinum.php?content_selector=historyx).

<sup>17</sup> Murrells, p.7.

<sup>18</sup> RIAA, 'History of the Awards'.

In the UK qualifying sales tallies have also changed. The British Phonographic Industry (BPI) was set up in 1973 and in the same year launched its own awards. At first, this award scheme shared the same split between singles (copies sold) and albums (gross income received) as the US. An artist would have to achieve sales of 500,000 singles to receive a gold disc and 1,000,000 for platinum. For albums they would have to generate £150,000 to receive a gold disc and £1m for platinum. The gross income target for albums shifted several times in the 1970s before being switched to a copies sold target in 1979, albeit that there were different quantities required for differently priced LPs: those with a dealer price below £2.24 had to sell 200,000 units to achieve gold and 600,000 to achieve platinum; for LPs priced above this the targets were halved. These dealer prices have been altered periodically and so has the tally for singles. In 1989 it was reduced to 400,000 to achieve gold and 600,000 to achieve platinum. Reflecting the fact that the UK is a smaller market than the US, BPI do not have a diamond award. They instead have a lower silver award, which artists could originally achieve by selling 250,000 singles or £75,000 worth of LPs. The latest tallies for achieving this award are 200,000 singles or 60,000 full price albums.

Writing in 1974, Murrells argued that the differing amounts between territories were derived by 'taking into consideration the total population of the country concerned, these being their equivalent of a "million" sales'.<sup>19</sup> Curiously, the figures *are* equitable between the US and the UK today: if we take the latest population figures, to achieve a gold album in each country that record would have to be bought by approximately 0.16% of the population. Nevertheless, the changing tallies throw into question any clear link between population size and the awards given out. These differing amounts also cast doubt on the idea that commercial success can be equated with 'Gold or Platinum status in an individual market'. This is because a record does not necessarily cost less to create and to promote just because you are in a smaller market. The record industries' economies of scale do not work in this way.

### The Break-even Point

The crucial determinant in calculating the profitability of a record is its break-even point: the amount of copies it needs to sell to generate a profit. This is a factor that the gold disc has obfuscated. Looked at from one angle,

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<sup>19</sup> Murrells, p.8.

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it could be argued that it does not matter that record companies downplay this issue. What has been of importance is the amount of copies sold once a record has passed its break-even point, rather than the fixed costs of production of individual albums or singles. Simon Frith has noted that, although expenditure on recordings varies, 'The essential point about all these fixed costs is that once they are covered, once the breakeven point is passed, then record company accumulation of profit is very rapid'.<sup>20</sup>

When Frith made these comments it was easier to estimate the costs of production. Writing about the UK music industry in 1978 he suggested that 'The average single costs about £2,000 to make, the average album £15-20,000', while 'costs of promotion and advertising start from about £2,000 a record'.<sup>21</sup> This was an era in which artists used professional studios to make their recordings and the major record companies controlled the manufacturing and distribution processes. Consequently, expenditure on each release remained fairly consistent. Frith equated the break-even point for singles with Top 30 chart success, meaning that a 45rpm disc of this era would have to sell around 20,000 copies to achieve a profit. For albums he leant towards IFPI's model of equating commercial success with sales awards. However, he selected the lower silver award, which in this era was set at £100,000 in sales, or roughly 30,000 LPs.<sup>22</sup>

The late 1970s was nevertheless a period in which new business strategies were being employed. Some UK independent record labels were making records that were relatively cheap to produce and market. Dave Laing has suggested that 'By dispensing with the need for expensive productions, promotional staff and the other overheads of chart-oriented companies, Stiff and the other small record labels which set up from 1977 onwards to release punk rock and new wave material, could work to "break-even" figures which could be as low as 2000 copies for a single'.<sup>23</sup> This represents only 10% of Frith's target.

The reason for the discrepancy between Frith's and Laing's figures is the different business ideals that the major and independent companies were operating. While the smaller companies wanted (and needed) to achieve profitability with the majority of records that they released, major record companies adopted the 'mud-against-the-wall approach', i.e. if you threw

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<sup>20</sup> Simon Frith, *The Sociology of Rock* (London: Constable, 1978), pp.117-18.

<sup>21</sup> *Ibid.*, p.117.

<sup>22</sup> *Ibid.*, p.118.

<sup>23</sup> Dave Laing, *One Chord Wonders* (Milton Keynes: Open University Press, 1985), p.10.



enough mud against the wall some of it would stick. This policy reflected a fatalistic belief that 'There are no formulas for producing a hit record'.<sup>24</sup> Paul Hirsch noted that 'Under these conditions it apparently is more efficient to produce many "failures" for each success than to sponsor fewer items and pretest each on a massive scale to increase media coverage and consumer sales'.<sup>25</sup> This is not to say that the majors spent less money on promoting each individual record than the independent companies; the reverse is almost certainly the case. Estimates of the success rate ratio for the 'mud-against-the-wall' approach have varied, but the most commonly cited figure is one-in-ten.<sup>26</sup>

IFPI's *Investing in Music* report claims that in the last decade this figure has been reduced. It states that the 'most common' figure now cited by senior music company managers is one-in-five, 'reflecting a generally higher success rate than was previously the norm'.<sup>27</sup> This is nevertheless still a high rate of failure by most industries' standards. These ratios should also make us think again about Frith's 'essential point' about fixed costs. He was talking about the profits of an individual record that passes the break-even point. However, it is important to bear in mind the consequences of records that do not make this mark. As well as having fewer overheads than major record companies, the independent labels aim to have fewer failures that need to be paid for. Because the major record companies sign so many artists, they have to spend more money on promoting and marketing these artists to get them heard (ten times more than the indies, if Frith's figures are correct). This is not an industry in which the winner takes all, but one in which the winners pay for the losers.

The major record companies have used their failure rate tactically. It has been utilized to justify punitive policies, such as the labels' ownership of

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<sup>24</sup> A record industry spokesman, quoted in Paul Hirsch, 'Processing Fads and fashions', *American Journal of Sociology*, 77/4 (January 1972), 639-59 (p.664).

<sup>25</sup> Hirsch, p.652.

<sup>26</sup> For example: 'If the Odds against having a hit are 10-1, what difference does a Beatle song make?'. *Melody Maker* (27 August 1966), p. 8; Martin Cloonan, *Popular Music and the State in the UK: Culture, Trade or Industry?* (Aldershot: Ashgate, 2007), p.71; Simon Frith, *Sound Effects: Youth, Leisure, and the Politics of Rock* (London: Constable and Company Ltd, 1983), p.147; Paul Harkins, 'Extending the Term: The Gowers Review and the Campaign to Increase the Length of Copyright in Sound Recordings', *Popular Music and Society*, 35/5 (2012), 629-649 (p.35); Michael L. Jones, *The Music Industries: From Consumption to Conception* (Basingstoke: Palgrave Macmillan, 2012), p.101; Chris Rojek, *Pop Music, Pop Culture* (Cambridge: Polity Press, 2011), p.136.

<sup>27</sup> IFPI, *Investing in Music*, p.11.

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sound recording copyrights and the high cost of CDs.<sup>28</sup> It has also set the criteria for success at an artificially high level for record companies who operate leaner economic models. A cheaply made record might be more profitable than a high-profile release even if it is selling fewer copies, and yet this means nothing when it comes to the charts or gold awards, which are both based on total sales only. BPI have even penalized independent record companies who have attempted to reflect their streamlined economic models with inexpensive records: those released by the Crass record label, for example, were ruled out of chart contention because they were deemed to be too cheaply priced.<sup>29</sup> The seemingly democratic sales target of the gold disc hides a bias towards the major labels' way of doing things. Moreover, it is not just the bottom line for the record companies that it obscures; the award fails to give an indication of the share of sales income that an artist will receive.

### The Artist's Income

There are two times in an artist's career when they are most likely to be photographed alongside record industry personnel. One is when they are signing their contracts; the other is if they are lucky enough to be presented with a sales award. The lack of evidence of interaction between these two parties at other times is telling. Few pictures have been taken of A&R staff or marketing teams in action, in particular it is unusual to see them working together with artists in the creation of the final product. This could in part be due to romantic ideals: the audience wants to feel that musicians and singers are the principal authors of the music. It could also be reflective of the high rates of failure. Responsibility for the product is placed squarely with the artists; unless the record happens to be a success, that is, at which point industry personnel re-enter the frame.

If one aim of the sales award photographs is to emphasize the industry's contribution to artistic success at the moment of triumph, another is to pronounce the artist's share of the company's success. The gold disc symbolizes an industry in which an artist's income is tied to the number of

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<sup>28</sup> Ann Harrison, *Music: The Business: The Essential Guide to the Law and the Deals*, 5<sup>th</sup> edn (London: Virgin, 2011), pp.83-4; Monopoly and Mergers Commission, 'The Supply of Recorded Music: A report on the Supply in the UK of Pre-recorded Compact Discs, Vinyl Discs and Tapes Containing Music' (1994), p. 4. <http://www.official-documents.gov.uk/document/cm25/2599/2599.asp>.

<sup>29</sup> Bob Stanley, *Yeah Yeah Yeah: The Story of Modern Pop* (London: Faber and Faber, 2013), p.312.

records they sell for their label. And yet, just as with the break-even point, this playing field is skewed. One thing that the original artist/company photographs fail to pick up is the small print of record contracts. Although gold disc status should at least ensure profitability, it does not mean that there is parity amongst recording deals.

One important discrepancy is royalty rates, which can vary widely. In the UK, some independent and production contracts put forward a 50/50 contract, whereby an artist gains 50% of the profits once costs have been recouped. In contrast, most artists who sign exclusive recording contracts with major companies will be getting half that percentage at most, with many receiving something like an 18% royalty, albeit that royalties can vary depending on product. Although this could mean that an independently signed artist will have a more profitable contract, in the 50/50 deal *all* costs have to be covered before royalties are paid. In contrast, exclusive contracts are restricted to recording costs, video costs and personal advances.<sup>30</sup> Moreover, it should not be forgotten that the majors are usually aiming for higher sales figures; consequently, in calculating income, an artist could set volume of sales against lower royalty rates.

Record contracts also differ when it comes to deductions and reductions. Money is deducted from artists' royalties in order to account for special packaging and to cover record companies in the case of breakages and faulty products. While the amounts charged are fairly standard, they can vary according to contract and product; they can also sometimes be removed.<sup>31</sup> Artists will be on a reduced royalty if their product is TV advertised or sold at a budget price. In many cases, they will have little control over these promotional decisions. Although these policies are adopted to gain a sales boost, the trade bodies pay little attention to them when handing out awards: RIAA and BPI are not particularly stringent when it comes to accounting for the budgeting of records by major record labels,<sup>32</sup> and they do not take into account product that is advertised.

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<sup>30</sup> Harrison, p.92.

<sup>31</sup> Harrison, pp.102-03.

<sup>32</sup> The RIAA merely stipulates that albums have a minimum dealer price of \$1. It is, however, retail price that is more important when it comes to boosting sales. RIAA, 'Certification Criteria', [http://www.riaa.com/goldandplatinum.php?content\\_selector=criteria](http://www.riaa.com/goldandplatinum.php?content_selector=criteria). Bob Stanley has noted that, although Crass's inexpensive records were excluded from the charts, the BPI's 'sanctioned' major labels have been able to get away different promotional pricing practices: *Yeah Yeah Yeah*, p.312.

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The award schemes have been criticized for the fact that they are based on the amount of records shipped to retailers rather than using sales-based evidence derived from barcodes.<sup>33</sup> In America the award calculations do factor in records that have been returned to record companies by retailers, thus rendering moot the old industry joke that a record has 'shipped gold and returned platinum'.<sup>34</sup> They do not, however, take into account the number of records that sit unsold on store shelves.<sup>35</sup> In Britain the rules are looser: to qualify, a record company merely has to provide evidence of 'firm invoiced sales to the trade'.<sup>36</sup> The trade organizations in the two countries are vague when it comes to factoring in promotional copies. RIAA's website states that their audit 'calculates what product has been shipped for sale, net after returns, versus product used for promotional purposes', <sup>37</sup> while BPI qualifying criteria make no mention of this factor. Record contracts are usually clear on this point, however, commonly deducting as much as 15% of a record's sales from royalty calculations to factor in a 'free goods' allowance.<sup>38</sup>

Record companies are able to request award certification quickly: in America sales of physical albums become eligible 30 days after a product is released; in Britain record companies are allowed to apply 'when the release in question has reached the appropriate level of sales'.<sup>39</sup> Awards can therefore be granted before the true retail profile of a record has been established. In comparison, when it comes to an artist's royalties, record companies will commonly hold a reserve against possible returns. Donald S. Passman provides the example that 'if a company ships 100,000 records of an artist, they may only pay the artist on 65,000 of these and wait to see if the other 35,000 are returned'.<sup>40</sup> Here, rather than establishing a sales record

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<sup>33</sup> RIAA, 'How to Certify', [http://www.riaa.com/goldandplatinum.php?content\\_selector=certification](http://www.riaa.com/goldandplatinum.php?content_selector=certification).

<sup>34</sup> Al Kohn and Bob Kohn, *Kohn on Music Licensing* (New York: Aspen, 2010), pp. 548-9.

<sup>35</sup> RIAA, 'How to Certify'.

<sup>36</sup> BPI, 'Certified Awards – Qualifying Criteria', <http://www.bpi.co.uk/qualifying-criteria.aspx>.

<sup>37</sup> RIAA, 'How to Certify'.

<sup>38</sup> Harrison, p.102.

<sup>39</sup> RIAA, 'How to Certify'; BPI, 'Certified Awards – Qualifying Criteria'.

<sup>40</sup> Donald S. Passman, *All You Need to Know About the Music Business*, 7<sup>th</sup> edn. (New York: Free Press, 2009), p.72.

after 30 days, the record company can wait up to two years to pay the artist the proportion of the reserve that has actually been sold.<sup>41</sup>

Despite the differences between recording contracts, all artists working within a territory are judged according to the same sales award rules. Moreover, as with the cost of recordings, little information about recording contrasts is made publicly available. The apparent simplicity of sales award criteria hides the complexity of record company's financial and contractual operations. Moreover, these operations have only grown more complex and diverse as the industry has entered the internet age. There are many oddities about the perpetuation of the gold disc in the era of digital downloads and streaming, and in some ways the sales awards are performing more of a cover up operation than they have done before. Nevertheless, because the awards have continued to operate on both a rigid and flexible basis, it is difficult to condemn their continuation out of hand. In the remainder of this article I will explore the gold disc's adaption to the digital environment; just as significantly, I shall look at ways it has remained the same. I shall close by looking at the reactions of artists and consumers to the golden ideal.

### **Adapting to Change in the Digital Era**

When it comes to their awards criteria, RIAA and BPI have both made an effort to keep up with current trends. BPI has allowed downloads to contribute to sales figures since 2004. RIAA also incorporated downloads in 2004, introducing a new 'Digital Single Sales Award'. In May 2013 this was expanded upon, becoming the "'Combined" Digital Single Award'. RIAA now include 'on-demand audio and/or video song streams' as part of their total.<sup>42</sup> Whereas a paid download counts as one unit for certification purposes, streaming sites have to clock up 100 audio or video plays to contribute a single unit towards the tally.<sup>43</sup> In addition, 'only official label/company videos count towards certification, user generated videos do not'.<sup>44</sup>

These new criteria continue to hide as much as they expose. There is still no indication of profitability for either artists or record labels. Moreover, the discounting of amateur content hints at the separate digital world that escapes copyright and royalties. In other ways, the American awards do

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<sup>41</sup> Passman, p.72.

<sup>42</sup> RIAA, 'History of the Awards'.

<sup>43</sup> RIAA, 'New "Combined" Digital',

[http://www.riaa.com/goldandplatinum.php?content\\_selector=new-combined-GP](http://www.riaa.com/goldandplatinum.php?content_selector=new-combined-GP).

<sup>44</sup> RIAA, 'New "Combined" Digital'.

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now come closer to indicating the actual sales and usage of recordings. When it comes to downloading, no reserves can be held against sales, thus the tally that goes towards the sales award is more in sync with royalties that artists receive. In addition, the usage tally indicated by streaming sites helps to remove any doubts there might previously have been about the actual use value of a record. There are, of course, new problems to consider. For example, are YouTube videos clocking up viewing figures because of their musical content, or is it because they offer some mild curiosity or titillation to the consumer?

While the trade bodies have embraced digital formats, it can be argued that they have done so without acknowledging the major changes these technologies entail. They continue to honour both the sales and non-sales of intangible digitized music with an award that is physical and which celebrates mass reproduction.

### Upholding Standards in the Digital Era

The gold sales award has become deliberately old fashioned. During the 1980s and 1990s most sales awards were based on framed compact discs, appropriately so as this was the leading format of the time. Today, despite the low sales figures for analogue records, vinyl records are once again being used for the awards. Many of the trophies look similar to those given to Elvis Presley 55 years ago: they feature vinyl discs that have been metalized, tinted and framed.

This design might look straightforward, but the gold disc has always been a complex representative object. During vinyl's era of dominance the trophy was at least based on the relevant sales format. However, this was a recording that could not be played: it was rendered inert by its coating and by the fact that it had been framed. In addition, it was usually the wrong record: the disc in the frame rarely corresponded with the disc whose sales were being honoured: a close look at its grooves would give away this fact. It could thus be argued that the duplicity of the sales award was reflected in its physical manifestation.

The award was at the same time a good indicator of power. One thing that was accurate about the sprayed records was the original label at the centre of the disc. Moreover, because the record was presented in its unsleeved form, it was this element that gained prominence in the trophy's display. While record sleeves commonly feature portraits of artists or abstract images that sum up a record's themes, the standard design of a record label is dominated by the name of the record company and its

insignia.<sup>45</sup> In fact, these are usually the only elements that are visible from a distance. As a consequence, the design of the gold disc gave a telling indication of record industry dominance.

The record companies have had more involvement with the trophies than is perhaps commonly known. Although the trade bodies authorize the awards, they neither provide them nor pay for them. RIAA request notification from a label that a record has reached the sales threshold and then charge for an audit to confirm the fact.<sup>46</sup> BPI allow record companies to use their own sales calculations, merely requesting 'a letter of confirmation [...] signed by (or on behalf of) a Chartered Accountant/Chief Executive/Managing Director employed by the applicant company'.<sup>47</sup> If accepted by RIAA or BPI, record companies can then decide whether or not to pay to have awards constructed, using one of the trade bodies' certified framers.<sup>48</sup>

As stated above, these framers are returning to the vinyl record as the basis for their awards. Analogue discs are even being given to artists to reward their digital downloads and streams. This peculiarity is being taken to extremes in America, where some artists are being awarded vinyl *albums* to mark the popularity of digital *single* releases.<sup>49</sup> The gold disc has always been a symbolic rather than a functional object, representing an industry that is focused on the sales of recordings and in which the record company is the locus of power. In the digital era its symbolic function has been extended: in its return to the vinyl record, the gold disc is implying continuity in a world that has changed.

### Ignoring Change in the Digital Era

One striking thing about IFPI's definition of commercial success being 'breaking an artist to Gold or Platinum status in an individual market', is that it is being applied now. The awards are derived in concept and

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<sup>45</sup> Richard Osborne, *Vinyl: A History of the Analogue Record* (Farnham: Asghate, 2012), p.47.

<sup>46</sup> RIAA, 'How to Certify'.

<sup>47</sup> BPI, 'Certified Awards – Qualifying Criteria'.

<sup>48</sup> RIAA, 'How to Qualify',

[http://www.riaa.com/goldandplatinum.php?content\\_selector=goldplat\\_ordering\\_awards](http://www.riaa.com/goldandplatinum.php?content_selector=goldplat_ordering_awards); BPI, 'Certified Awards – Framing Companies', <http://www.bpi.co.uk/framing-companies.aspx>.

<sup>49</sup> For examples see the website for the official framing company, 'Jewel Box Platinum': <http://jewelboxplatinum.com/portfolio/>.

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appearance from the physical record and yet since the early 2000s sales of physical records have been in decline and recordings have formed a decreasing share of music industry revenue.<sup>50</sup> The latter transformation is, of course, one of the reasons why IFPI is upholding the sales award: they wish to perpetuate the idea that recording is at the centre of the popular music industry.

As record sales have declined in importance, their break-even point has become more variable. Although it was possible for Frith and Laing to suggest figures for break-even points in the 1970s there can be no such certainty today. Some records cost a great deal to create, while others can be made and distributed cheaply. However, because of the sheer openness of the digital environment, huge expenditure can be involved in trying to ensure that *any* new record is heard. According to IFPI, a newly signed artist can cost more than \$1m to promote. In *Investing in Music* they add up artist advances, recording costs, videos, tour support, marketing and promotion for a 'significant project' and reach a figure of '\$750,000 - \$1.4m'.<sup>51</sup> If the average dealer price for an album were \$8, this would mean that the artist has to sell between 93,750 and 175,000 copies to break even. Some records have to sell far more than this. For example, it has been claimed that Lady Gaga's *ArtPop* album cost Interscope between \$25 and \$30 million to produce and promote.<sup>52</sup> With such a figure it would be virtually impossible to earn back the recording advance through sales alone, even if reaching gold or platinum status.

The widely adopted 360° deal is indicative of the fact that record companies are searching beyond recordings for sources of income. In return for providing marketing, promotion and touring support for an act, the record company expects a share of an artist's profits from areas such as

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<sup>50</sup> In Britain the value of record sales, including downloads, has declined from nearly £1.18bn in 2005 to £795m in 2011: *BPI Yearbook 2013: Recorded Music in the UK: Facts, Figures and Analysis*, ed. by Christopher Green (London: BPI Limited, 2013), pp.8-9. Regarding overall industry income, in the UK the total value of recorded music income in 2011 was £1.1bn, as opposed to £1.6bn for live music and £1.1bn for business-to-business income. Moreover, while the value of recorded music has declined, the other two areas have risen steadily in recent years: PRS for Music, *Adding Up the Music Industry 2011*, <http://www.prsformusic.com/aboutus/corporateresources/reportsandpublications/addinguptheindustry2011/Documents/Economic%20Insight%2011%20Dec.pdf>.

<sup>51</sup> IFPI, *Investing in Music*, p.11.

<sup>52</sup> 'Fumbled Lady Gaga Release Could Cost Interscope \$25 Million', *Hypebot* (18 November 2013), <http://www.hypebot.com/>.



merchandising, brand sponsorship and ticket sales. It is therefore across a broad spectrum of activities that record companies should now search for the break-even point. These 360° deals obviously affect artists' incomes: they might be earning money in more areas, but they are giving away shares of money from more areas too.

This isn't the case for all artists, however: some are gaining increased control of their careers. Here too, we can witness a turning away from a concentration on record sales. In 2007, Prince's album *Planet Earth* was not sold in record stores or via websites in the UK; it was instead given away free with the *Mail on Sunday*. In return Prince was reported to have earned £250,000 from the newspaper.<sup>53</sup> In 2013 Jay-Z distributed one million copies of his album *Magna Carta Holy Grail* for free to Samsung customers. His fee for doing so was a rumoured \$5m from the company. While these 'sales' were ruled out of his *Billboard* chart placing, they were said to have earned him a 'multi-platinum award for his wall'.<sup>54</sup>

Some artists are reducing the bottom line. Released in 2007, Radiohead's *In Rainbows* was priced according to a 'pay what you want' basis. On these sales alone the album is reported to have turned a profit, largely because Radiohead had few production and distribution overheads, while the novel sales tactic generated large amounts of publicity.<sup>55</sup> In 2013 another innovative sales tactic received widespread attention. Amanda Palmer was dropped by her label for selling 25,000 copies of an album, a figure way below sales award status.<sup>56</sup> She was nevertheless able to generate large revenues for her subsequent album, *Theatre is Evil*, by approaching customers directly. Rather than buying a ready-made CD, they were asked to donate funds towards its creation; they would eventually get a copy when it was complete. Palmer managed to raise \$1,192,793 using this method, constituting 'the biggest music crowd-funding project to date'.<sup>57</sup> The money came from 24,883 fans, roughly the same number that led to her being dropped.<sup>58</sup>

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<sup>53</sup> Eamonn Forde, 'Loss Leaders', *The Word*, 110 (April 2012), 38-39 (p.39).

<sup>54</sup> Billboard Reminds How Antiquated their Charts are with Rejection of 1m Jay-Z Samsung Albums, *Hypebot* (22 June 2013), <http://www.hypebot.com/>.

<sup>55</sup> Patrik Wikström, *The Music Industry: Music in the Cloud* (Cambridge: Polity Press, 2009), p.110.

<sup>56</sup> Amanda Palmer, 'The Art of Asking', *TED: Ideas Worth Spreading* (February 2013), [http://www.ted.com/talks/amanda\\_palmer\\_the\\_art\\_of\\_asking.html](http://www.ted.com/talks/amanda_palmer_the_art_of_asking.html).

<sup>57</sup> *Ibid.*

<sup>58</sup> *Ibid.*

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It has therefore been possible for some artists to escape the gold standard. In some instances they don't need to sell their recordings to make money; in others they don't need to attain award status to generate profit. And yet, despite this, the sales awards remain prominent in record industry culture. They also continue to be embraced by the majority of artists who are in a position to receive them.

### Golden Artists

In discussing the romantic ideology that has been common in popular music, Jon Stratton has outlined the tension that exists between artists and record companies. He describes the tendency 'for the artist to dislike the idea of his/her creation being viewed as "product" by the companies, while the companies *must* view those creations as product, at least to some extent, if they are to remain viable capitalist enterprises'.<sup>59</sup> In many ways the gold disc is the ultimate representation of art as product: sales success is the principal means by which creation is judged.

It is perhaps surprising, therefore, how little rejection there has been of the gold record ideal, even from artists who would otherwise be viewed as romantic figureheads. There have been a few instances of nonchalance: in *The Kids are Alright*, John Entwistle can be seen using his awards as clay pigeons to shoot at; in *The Great Rock 'n' Roll Swindle* film, Steve Jones of the Sex Pistols defecates on a *Never Mind the Bollocks* gold disc (this scenario is reprised on the back cover of the band's album, *Flogging a Dead Horse*); in the 1970s Led Zeppelin were pictured receiving awards in Sweden while a couple performed a live sex act in front of them.<sup>60</sup> And yet, despite these acts of rebellion against the industry, none of these artists chose to hide or turn down their awards. It is instead illuminating to witness the number of different acts who have vaunted their sales trophies. Hardly anyone has shied away from the artist/industry photography that marks the handing out of these awards. In addition, performers as diverse as Cliff Richard and Roxy Music have used gold discs as images for greatest hits LPs.

The acceptance of the gold standard continues. RIAA and BPI have Facebook pages for their awards, which list the latest artists who have been

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<sup>59</sup> Jon Stratton, 'Capitalism and Romantic Ideology in the Record Business' *Popular Music*, 3 (January 1982), 143-56 (p. 151). Emphasis in original.

<sup>60</sup> For a discussion of this photograph see Ledzeppelin.com: <http://forums.ledzeppelin.com/index.php?topic/20137-what-the-hell-is-this-picture-all-about/>.

given trophies and feature photos of presentations.<sup>61</sup> Artists from all genres can be seen posing alongside industry personnel as they receive their coloured discs; there appears to be little tension in this relationship. However, although the modern sales awards photographs hark back to the past, this is another instance in which continuity can be revealing of change. The earlier award ceremonies are indicative of the fact that many artists were in fact comfortable with the cash nexus; they were happy to accept trophies that represented the commodification of their art. Today, the vinyl trophy signifies differently. This is due to the fact that the analogue record has been eclipsed. Vinyl has, to a large extent, been de-commoditized: rather than being regarded as product it is now valued as a fetish object.<sup>62</sup> When it comes to the sales award, it represents the tradition of recording itself, rather than the cash transactions related to a particular format. More generally, the modern award ceremonies could be regarded as an example of 'retromania', the indebtedness to the past that some have argued is pervasive in popular music.<sup>63</sup> Artists are not only mimicking the musical styles of their forebears, they are restaging their award presentations as well.

More charitably, it can be argued that there *is* some continuity in the music business and that there is some truth in IFPI's arguments. Although the revenue generated by recordings is declining in importance, recording itself remains primary in the music industry. In the vast majority of cases, live tours and merchandising follow on from the creation of new records, rather than the other way around. Moreover, it can be argued that there is still an artistic as well as a financial need for records to aim at gold status.

#### The Golden Audience

Although there is a strong romantic bent amongst artists, fans and critics of popular music, one that equates commercial success with 'selling out', there is also a strong tendency towards equating sales success with creative triumph, albeit that this a tendency that is often overlooked. Elvis Presley was certainly marketed this way: his records were compiled on the basis that they were 'golden' or that *50,000,000 Elvis Fans Can't be Wrong*. As a singer

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<sup>61</sup> 'RIAA Gold & Platinum Awards Programme': <https://www.facebook.com/GoldandPlatinum>; 'BPI Platinum, Gold & Silver Certified Awards': <https://www.facebook.com/BPIPlatinumGoldSilverCertifiedAwards>.

<sup>62</sup> Osborne, pp.81-6.

<sup>63</sup> See, in particular, Simon Reynolds, *Retromania: Pop Culture's Addiction to its Own Past* (London: Faber and Faber, 2011).

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whose sales figures were vaunted as a measure of his worth, it is fitting that it is Presley with whom RIAA chose to celebrate the 50<sup>th</sup> anniversary of their gold disc.

The large sales (and streaming) tally required to receive a gold disc is, in part, a result of the low success ratios of the recording industry. This is a business that requires vast sales from its successful artists in order to offset losses from its failures. It is centred on hits, successful records that ideally garner sales awards on a global basis. When it comes to audiences, there are both pessimistic and optimistic ways of reading this situation. The pessimistic view is that the bigger a hit becomes, the more it is forced upon the public. As Martin Parker has pointed out: 'the higher a record is in the charts, the more media exposure it will obtain and thus the more sales, and so on'.<sup>64</sup> The recordings that receive gold awards are the ones that are most enmeshed within the capitalist system. What is selected for this process is music that, rather than challenging capitalist ideology, renders it safe. Classically, this is the 'hypodermic syringe' model of culture in which popular music acts as an opiate of the people.<sup>65</sup>

The optimistic way of looking at this situation is to suggest that the public is active in its response to popular music. In fact, it can be argued that the more successful a recording is, the more it becomes the people's music. Contrary to the belief that the public is injected with the biggest hits, it is only when a record attracts a large audience that it *escapes* the chicanery of the record and media industries. Although records can be hyped into the lower reaches of the charts, they can only become hits on a golden scale if they genuinely connect with the public. The radio producer Phil Swaren has stated: 'In truth I don't think that many records became massive hits because of manipulation; I do believe that if the public didn't like a record they wouldn't buy it, no matter what you did'.<sup>66</sup>

And what happens when a record receives a mass audience? Some artists have talked with enthusiasm about the ways their work is taken over and reworked by the public. Manfred Man has claimed 'the more people buy a record, the more successful it is – not only commercially but artistically', while Imogen Heap has stated 'unless somebody else hears it, music is like a

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<sup>64</sup> Martin Parker, 'Reading the Charts – Making Sense with the Hit Parade', *Popular Music*, 10/2 (May 1991), 205-17 (p.208).

<sup>65</sup> Nicholas Abercrombie and Brian Longhurst, *Audiences: A Sociological Theory of Performance and Imagination* (London: Sage, 1998), p.5.

<sup>66</sup> *Pop Charts Britannia: 60 Years of the Top 10*. Dir. by Ben Whalley. BBC. 2012.

joke without a punchline'.<sup>67</sup> Artists have even suggested that the bigger the hit, the more it becomes public property. Stephen Spielberg is talking about his film *Jaws* in the following quote, nevertheless his sentiments have been echoed by musicians: 'I thought, this is what a hit feels like. It feels like your own child that you have put up for adoption, and millions of people have decided to adopt it all at once, and you're the proud ex-parent. And now it belongs to others'.<sup>68</sup>

This leaves us in a peculiar situation. The gold disc is reflective of a record industry that sets the bar for success at an artificially high level. And yet, when it comes to audiences, the consequences of this can be viewed positively. It results in artworks that have a dynamic public life. By the same measure, some of the newer business models cannot be viewed as being artistically successful. The album releases by Amanda Palmer and Prince, for example, are better known for their economic strategies than their music; they have had no public afterlife. The gold disc may be bogus, biased, duplicitous, capitalistic and out-of-date, but perhaps it also results in something good. What if the most interesting popular music comes from stars who are golden and whose record sales are huge?

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<sup>67</sup> Frith, *The Sociology of Rock*, p. 202; Gemma Kappala-Ramsamy, 'Imogen Heap: "Unless Somebody Else Hears it, Music is Like a Joke Without a Punchline"', *Observer* (7 November 2010), <http://observer.theguardian.com/>.

<sup>68</sup> Peter Biskind, *Easy Riders, Raging Bulls: How the Sex 'N' Drugs 'N' Rock 'N' Roll Generation Saved Hollywood* (London: Bloomsbury, 1998), p.279.